

IN THE SENATE

SENATE BILL NO. 1122

BY FINANCE COMMITTEE

AN ACT

RELATING TO STATE AGENCY RECEIPT OF FEDERAL FUNDS; PROVIDING LEGISLATIVE INTENT; AMENDING SECTION 67-1917, IDAHO CODE, TO REVISE REPORTING REQUIREMENTS BY STATE AGENCIES THAT RECEIVE FEDERAL FUNDS AND TO DEFINE "FEDERAL FUNDS"; AMENDING SECTION 67-3502, IDAHO CODE, TO ESTABLISH THAT BUDGET REQUESTS PROVIDE A REPORT THAT DISCLOSES ANY KNOWN FUTURE REDUCTIONS OR ELIMINATIONS OF FEDERAL FUNDS AND AN AGENCY'S PLAN FOR OPERATING IF CERTAIN CIRCUMSTANCES OCCUR AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 67-3506, IDAHO CODE, TO PROVIDE THAT THE BUDGET DOCUMENT SHALL CONSIST OF FOUR PARTS; AMENDING SECTION 67-3507, IDAHO CODE, TO PROVIDE THAT PART IV OF THE BUDGET DOCUMENT SHALL CONSIST OF FEDERAL FUNDING REPORTS AND CERTAIN DISCLOSURES AND TO MAKE TECHNICAL CORRECTIONS; AND AMENDING SECTION 67-3513, IDAHO CODE, TO PROVIDE FOR LEGISLATIVE COMMITTEE CONSIDERATION OF A REPORT REGARDING FEDERAL FUNDS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. LEGISLATIVE INTENT. It is the intent of the Legislature that federal funds being awarded to or administered by state agencies now constitute a significant portion of state expenditures. To have the Legislature ignore these funds would greatly undermine the authority of the Legislature to appropriate moneys. It is imperative that members of the Legislature, Executive Branch and the general public be able to see all the details of federal funds received by the state so that they can prepare for a possible reduction in federal funds, measure the impact of the programs supported with federal funds and act in the best interest of Idahoans.

SECTION 2. That Section 67-1917, Idaho Code, be, and the same is hereby amended to read as follows:

67-1917. REPORTS BY PARTICIPATING STATE AGENCIES. Any state agency that ~~participates in any federal assistance program~~ receives federal funds, anticipates receipt of federal funds or administers a program supported by federal funds shall ~~make additional information available as the division of financial management may require~~ provide reports on the use of federal funds as part of each agency's annual budget request to the division of financial management. The reports shall:

- (1) Delineate the federal funds received for the preceding fiscal year;
- (2) Delineate the federal funds to be utilized by the state agency for the current and upcoming fiscal year. The report shall include federal funds appropriated by the legislature, federal funds continuously appropriated and any programs supported by federal funds, the loss of which may impact the continuity or delivery of services;

1       (3) Identify any obligations, agreements, joint exercise of powers  
 2 agreements, maintenance of effort agreements, or memoranda of understand-  
 3 ing that may be impacted by federal or state decisions regarding federal  
 4 receipts;

5       (4) Calculate the percentage that constitutes federal funds to the to-  
 6 tal appropriation for the state agency for the fiscal year.  
 7 As used in this section, "federal funds" means any financial assistance made  
 8 by the United States government, or any agency thereof, whether a contract,  
 9 grant subsidy, augmentation, reimbursement or in any other form.

10       SECTION 3. That Section 67-3502, Idaho Code, be, and the same is hereby  
 11 amended to read as follows:

12       67-3502. FORMAT AND PREPARATION OF ANNUAL BUDGET REQUESTS. In the  
 13 preparation of a state budget, the administrator of the division of fi-  
 14 nancial management shall, not later than the fifteenth day of July, have  
 15 available for all departments, offices and institutions of the state gov-  
 16 ernment forms necessary to prepare budget requests. Such forms, whether in  
 17 electronic or written format, shall be developed by the administrator of  
 18 the division and the legislative services office to provide the following  
 19 information:

20       (1) For the preceding fiscal year, each of the entities listed above  
 21 shall report all funds available to them regardless of source, including  
 22 legislative appropriations, and their expenditures by fund and object of all  
 23 sums received from all sources, segregated as provided for on the forms.

24       (2) For the current fiscal year, each of the entities listed above shall  
 25 report their estimates of all funds available to them regardless of source,  
 26 including legislative appropriations, and their estimated expenditures by  
 27 fund and object of all sums received from all sources, segregated as provided  
 28 for on the forms, including a statement of the purposes for which anticipated  
 29 funds are expected to be expended.

30       (3) An estimate of appropriations needed for the succeeding fiscal  
 31 year, showing each primary program or major objective as a separate item of  
 32 the request and itemized by object code.

33       (4) A report concerning the condition and management of programs, pro-  
 34 gram performance, and progress toward accomplishing program objectives.

35       (5) A report that discloses any known future reductions or eliminations  
 36 of federal funds reported to the division of financial management under sec-  
 37 tion 67-1910, Idaho Code, and the agency's plan for operating if there is a  
 38 reduction of ten percent (10%) or more in the federal funds that the state  
 39 agency receives.

40       The completed forms shall, not later than the first day of September,  
 41 except with special permission and agreement of the administrator of the di-  
 42 vision of financial management and the director of the legislative services  
 43 office, be filed in the office of the administrator of the division of fi-  
 44 nancial management and the legislative services office. The legislative and  
 45 judicial departments shall, as early as practicable and in any event no later  
 46 than the first day of November, prepare and file in the office of the governor  
 47 and the legislative services office upon the forms described in this section  
 48 a report of all of the information required in this section. The judicial de-

1 department shall include in its filing the budget request of the judicial coun-  
2 cil as submitted by the judicial council.

3 SECTION 4. That Section 67-3506, Idaho Code, be, and the same is hereby  
4 amended to read as follows:

5 67-3506. GOVERNOR TO TRANSMIT BUDGET DOCUMENT. Not later than five (5)  
6 days following the convening of each regular legislative session, the gover-  
7 nor shall transmit to the legislature a budget document setting forth his fi-  
8 nancial plan for the next fiscal year, and having the character and scope set  
9 forth. The budget document shall consist of ~~three~~ four (34) parts, the na-  
10 ture and contents of which are set forth in section 67-3507, Idaho Code. The  
11 requests of the legislative and judicial departments shall be transmitted as  
12 submitted by those departments.

13 SECTION 5. That Section 67-3507, Idaho Code, be, and the same is hereby  
14 amended to read as follows:

15 67-3507. EXECUTIVE BUDGET. The executive budget document shall con-  
16 sist of the following ~~three~~ four (34) parts:

17 (1) Part I of the executive budget document shall consist of a budget  
18 message by the governor ~~which~~ that shall outline the financial plan of the  
19 executive department of the state government for the next fiscal year, de-  
20 scribing the important features of the financial plan.

21 (2) Part II of the budget document shall present in detail for the next  
22 fiscal year, as minimum information to be included in Part II, items showing:  
23 estimates of agency needs based on the governor's recommendations, to meet  
24 the expenditure needs of the state from all available funds classified by  
25 agencies and showing the cost of each major program. Part II shall also set  
26 forth the governor's recommendations for the capital program. All funds,  
27 including federal and local funds and interagency receipts received for any  
28 purpose, shall be accounted for in the budget.

29 (3) Part III of the budget document shall consist of the annual perfor-  
30 mance plans required in section 67-1904, Idaho Code.

31 (4) Part IV of the budget document shall consist of the federal funding  
32 reports required under section 67-1917, Idaho Code, and the disclosures re-  
33 quired under section 67-3502(5), Idaho Code.

34 SECTION 6. That Section 67-3513, Idaho Code, be, and the same is hereby  
35 amended to read as follows:

36 67-3513. COMMITTEES OF LEGISLATURE TO CONSIDER BUDGET. (1) The stand-  
37 ing committees of the house of representatives and of the senate in charge of  
38 appropriation measures shall sit jointly in open sessions while considering  
39 the budget. Such committee may resolve itself into executive session upon  
40 the vote of two-thirds (2/3) of the membership of the committee, at which  
41 time persons who are not members of the legislature may be excluded; pro-  
42 vided, however, that during such executive session, no votes or any official  
43 action may be taken. The administrator of the division of financial manage-  
44 ment or his designated representative shall attend all meetings of the joint  
45 committee and shall present to the committee the recommendations of the gov-

1 error for amounts to be appropriated for each department, office and insti-  
2 tution, including the elective officers and the state board of education,  
3 such presentation to include all information necessary to substantiate the  
4 recommendations of the governor. The joint committee at its discretion may  
5 cause the attendance of heads or responsible representatives of said depart-  
6 ments, offices and institutions. The joint committee may increase or de-  
7 crease items in the budget as it may deem to be in the interests of greater  
8 economy and efficiency in the public service.

9 (2) By not later than January 15 of each year, the administrator of the  
10 division of financial management shall report to the joint committee the  
11 following minimal information:

12 (a) A list by department, by program, and by funding source of all per-  
13 manent positions authorized as of January 1 of that year and the current  
14 salary established for each position as of January 1 of that year; the  
15 list shall also designate which of the listed positions were vacant as  
16 of January 1, and the date such position became vacant.

17 (b) A list by department, by program, and by funding source of the  
18 amounts needed to fund the state employee compensation changes being  
19 recommended by the governor, which list must be prepared to show the  
20 individual cost of each component of the compensation changes.

21 (c) A report that compiles and summarizes the information the division  
22 of financial management received in accordance with sections 67-1917  
23 and 67-3502 (5), Idaho Code.